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Technology

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[International Organization of Securities Commissions](#)

IOSCO Publishes AI Supervisory Toolkit

- This supervisory toolkit provides **guidance for securities regulators overseeing the use of artificial intelligence (AI) by market participants**. The document reflects increasing regulatory focus on Generative AI and Agentic AI technologies and their impact on investor protection, market integrity and financial stability.
- IOSCO recognizes that **AI can improve operational efficiency, analytics, compliance monitoring and client services** in capital markets. However, **it also identifies significant risks**, including model opacity, biased outcomes, poor data quality, cybersecurity threats, excessive reliance on third-party providers and concentration risk.
- The toolkit promotes **a risk-based and proportionate supervisory approach** rather than prescriptive rules. Regulators are encouraged to tailor oversight according to the scale, complexity and materiality of AI applications used by firms.
- The framework focuses on **five core supervisory areas**: governance and risk management, third-party and outsourcing oversight, disclosure and transparency, recordkeeping and documentation and ongoing monitoring of AI systems. IOSCO emphasizes the importance of board accountability, human oversight, testing and validation, auditability and continuous assessment of AI performance and emerging risks.
- The report concludes that supervisory **frameworks must remain adaptable as AI technologies evolve** and encourages continued international regulatory coordination.

